



General Assembly

January Session, 2009

Raised Bill No. 6446

LCO No. 3254

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Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

AN ACT CONCERNING MOTOR VEHICLE REPAIRS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-335 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2009*):

3 (a) Each automobile liability insurance policy shall provide
4 insurance in accordance with the regulations adopted pursuant to
5 section 38a-334 against loss resulting from the liability imposed by law,
6 with limits not less than those specified in subsection (a) of section 14-
7 112, for damages because of bodily injury or death of any person and
8 injury to or destruction of property arising out of the ownership,
9 maintenance or use of a specific motor vehicle or motor vehicles within
10 any state, territory, or possession of the United States of America or
11 Canada.

12 (b) Each automobile liability insurance policy issued, renewed,
13 amended or endorsed on or after October 1, 1988, and covering a
14 private passenger motor vehicle as defined in subsection (e) of section
15 38a-363, shall contain or have attached thereto a conspicuous statement
16 specifying whether the policy provides liability, collision or

17 comprehensive coverage for damage to a rented private passenger
18 motor vehicle and, where the policy provides such coverage, the limit
19 of coverage provided and whether any deductible amount applies.

20 (c) Each automobile liability insurance policy issued, renewed,
21 amended or endorsed on or after April 8, 1974, shall provide that if the
22 provisions of the motor vehicle financial responsibility law or the
23 motor vehicle compulsory insurance law or any similar law of any
24 state, territory or possession of the United States of America or any
25 Province of Canada, require insurance with respect to the operation or
26 use of the motor vehicle in such state, territory, possession or province
27 and such insurance requirements are greater than the insurance
28 provided by the policy, the limits of the company's liability and the
29 kinds of coverage afforded by the policy shall be as set forth in such
30 law, in lieu of the insurance otherwise provided by the policy, but only
31 to the extent required by such law and only with respect to the
32 operation or use of the motor vehicle in such state, territory, possession
33 or province; provided the insurance under this subsection shall be
34 reduced to the extent that there is other valid and collectible insurance
35 under such policy or any other motor vehicle insurance policy. In no
36 event shall any person be entitled to receive duplicate payments for
37 the same element of loss.

38 (d) With respect to the insured motor vehicle, the coverage afforded
39 under the bodily injury liability and property damage liability
40 provisions in any such policy shall apply to the named insured and
41 relatives residing in his household unless any such person is
42 specifically excluded by endorsement.

43 (e) (1) Each automobile liability insurance policy issued, renewed,
44 amended or endorsed on or after October 1, 2009, and covering a
45 private passenger motor vehicle shall provide a premium discount for
46 any such motor vehicle that has its complete identification number
47 etched on a lower corner of the windshield and on each side or rear
48 window of such vehicle. For the purposes of this subsection, "private

49 passenger motor vehicle" means: (A) A private passenger-type
50 automobile; (B) a station-wagon-type automobile; (C) a camper-type
51 motor vehicle; (D) a high-mileage-type motor vehicle, as defined in
52 section 14-1; or (E) a truck-type motor vehicle with a load capacity of
53 fifteen hundred pounds or less, registered as a passenger motor
54 vehicle, as defined in section 14-1, or as a passenger and commercial
55 motor vehicle, as defined in section 14-1, or used for farming purposes.
56 It does not include a motorcycle or motor vehicle used as a public or
57 livery conveyance.

58 (2) The commissioner shall annually review the rate of such
59 premium discount and shall adopt regulations, in accordance with
60 chapter 54, to establish such rate and factors to consider when
61 evaluating whether to adjust such rate, including, but not limited to,
62 any reduction in the number of motor vehicle thefts in the year
63 preceding.

64 Sec. 2. Section 38a-354 of the general statutes is repealed and the
65 following is substituted in lieu thereof (*Effective October 1, 2009*):

66 (a) No automobile physical damage appraiser shall require that
67 appraisals or repairs should or should not be made in a specified
68 facility or repair shop or shops.

69 (b) No insurance company doing business in this state, or agent or
70 adjuster for such company shall (1) require any insured to use a
71 specific person for the provision of automobile physical damage
72 repairs, automobile glass replacement, glass repair service or glass
73 products, [unless otherwise agreed to in writing by the insured] (2)
74 except as provided in a consumer's automobile liability insurance
75 policy, reduce the amount of a deductible or premium or offer
76 additional warranties if the consumer chooses a preferred repair
77 facility, or (3) suggest that choosing a facility other than a preferred
78 repair facility will result in delays in repairing the motor vehicle, a lack
79 of guarantee for repair work or additional costs to the insured.

80 (c) Any appraisal or estimate for a motor vehicle physical damage
81 claim written on behalf of an insurer shall include the following notice,
82 printed in not less than ten-point boldface type:

83 NOTICE:

84 YOU HAVE THE RIGHT TO CHOOSE THE LICENSED REPAIR
85 SHOP WHERE THE DAMAGE TO YOUR MOTOR VEHICLE WILL
86 BE REPAIRED.

87 Sec. 3. Section 14-64 of the general statutes is repealed and the
88 following is substituted in lieu thereof (*Effective October 1, 2009*):

89 The commissioner may suspend or revoke the license or licenses of
90 any licensee or impose a civil penalty of not more than one thousand
91 dollars for each violation on any licensee or both, when, after notice
92 and hearing, the commissioner finds that the licensee (1) has violated
93 any provision of any statute or regulation of any state or any federal
94 statute or regulation pertaining to its business as a licensee or has
95 failed to comply with the terms of a final decision and order of any
96 state department or federal agency concerning any such provision; or
97 (2) has failed to maintain such records of transactions concerning the
98 purchase, sale or repair of motor vehicles or major component parts, as
99 required by such regulations as shall be adopted by the commissioner,
100 for a period of two years after such purchase, sale or repairs, provided
101 the records shall include the vehicle identification number and the
102 name and address of the person from whom each vehicle or part was
103 purchased and to whom each vehicle or part was sold, if a sale
104 occurred; or (3) has failed to allow inspection of such records by the
105 commissioner or the commissioner's representative during normal
106 business hours, provided written notice stating the purpose of the
107 inspection is furnished to the licensee, or has failed to allow inspection
108 of such records by any representative of the Division of State Police
109 within the Department of Public Safety or any organized local police
110 department, which inspection may include examination of the
111 premises to determine the accuracy of such records; or (4) has made a

112 false statement as to the condition, prior ownership or prior use of any
 113 motor vehicle sold, exchanged, transferred, offered for sale or repaired
 114 if the licensee knew or should have known that such statement was
 115 false; or (5) is not qualified to conduct the licensed business, applying
 116 the standards of section 14-51 and the applicable regulations; or (6) has
 117 violated any provision of sections 42-221 to 42-226, inclusive; or (7) has
 118 failed to fully execute or provide the buyer with (A) an order as
 119 described in section 14-62, (B) the properly assigned certificate of title,
 120 or (C) a temporary transfer or new issue of registration; or (8) has
 121 failed to deliver a motor vehicle free and clear of all liens, unless
 122 written notification is given to the buyer stating such motor vehicle
 123 shall be purchased subject to a lien; or (9) has violated any provision of
 124 sections 14-65f to 14-65j, inclusive, as amended by this act, 14-65l or 14-
 125 65m; or (10) has used registration number plates issued by the
 126 commissioner, in violation of the provisions and standards set forth in
 127 sections 14-59 and 14-60 and the applicable regulations; or (11) has
 128 failed to secure or to account for or surrender to the commissioner on
 129 demand official registration plates or any other official materials in its
 130 custody. In addition to, or in lieu of, the imposition of any other
 131 penalties authorized by this section, the commissioner may order any
 132 such licensee to make restitution to any aggrieved customer.

133 Sec. 4. Section 14-65e of the general statutes is repealed and the
 134 following is substituted in lieu thereof (*Effective from passage*):

135 For the purposes of sections 14-65f to 14-65j, inclusive, as amended
 136 by this act, 14-65l and 14-65m, "motor vehicle repair shop" or "repair
 137 shop" means a new car dealer, a used car dealer, a repairer, or a limited
 138 repairer, as defined in section 14-51, or their agents or employees.

139 Sec. 5. Subsection (a) of section 14-65g of the general statutes is
 140 repealed and the following is substituted in lieu thereof (*Effective from*
 141 *passage*):

142 (a) A customer may waive his right to the estimate of the costs of
 143 parts and labor required by section 14-65f, only in writing in

144 accordance with this section. Such a waiver shall include an
 145 authorization to perform reasonable and necessary repairs to remedy
 146 the problems complained of, at a cost not to exceed a fixed dollar
 147 amount. The waiver shall be signed by the customer and the customer
 148 shall be given a fully completed copy of the waiver at the time it is
 149 signed. No repair shop shall use waivers to evade its duties under
 150 sections 14-65e to 14-65j, inclusive, as amended by this act, 14-65l and
 151 14-65m.

152 Sec. 6. Section 14-65k of the general statutes is repealed and the
 153 following is substituted in lieu thereof (*Effective from passage*):

154 (a) The Commissioner of Motor Vehicles may conduct
 155 investigations and hold hearings on any matter under the provisions of
 156 sections 14-51 to 14-65j, inclusive, as amended by this act, 14-65l and
 157 14-65m. The commissioner may issue subpoenas, administer oaths,
 158 compel testimony and order the production of books, records and
 159 documents. If any person refuses to appear, to testify or to produce
 160 any book, record, paper or document when so ordered, upon
 161 application of the commissioner, a judge of the Superior Court may
 162 make such order as may be appropriate to aid in the enforcement of
 163 this section.

164 (b) The Attorney General, at the request of the commissioner, is
 165 authorized to apply in the name of the state of Connecticut to the
 166 Superior Court for an order temporarily or permanently restraining
 167 and enjoining any person from violating any provision of sections 14-
 168 51 to 14-65j, inclusive, as amended by this act, 14-65l and 14-65m.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2009</i> | 38a-335 |
| Sec. 2 | <i>October 1, 2009</i> | 38a-354 |
| Sec. 3 | <i>October 1, 2009</i> | 14-64 |
| Sec. 4 | <i>from passage</i> | 14-65e |
| Sec. 5 | <i>from passage</i> | 14-65g(a) |

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| Sec. 6 | <i>from passage</i> | 14-65k |
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Statement of Purpose:

To require insurers to offer a premium discount for a private passenger motor vehicle or truck-type motor vehicle that has its vehicle identification number etched in the windshield and windows, to strengthen and add to the prohibitions against automobile physical damage appraisers and insurance companies "steering" where motor vehicle repairs and glass repairs and replacements should be made, to make conforming changes.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]